

# **FISCAL NOTE**

## **HB 1981 - SB 1911**

March 20, 2003

**SUMMARY OF BILL:** Amends the retirement law by granting members who retire on or after July 1, 2003 retirement salary credit for each month of sick leave service retirement credit given. The amount of salary credit that would be given for each month would equal the member's last full month of salary at termination of employment. The bill would be optional to local governments.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$29,764,500 Annual Amortized Cost**

**Increase Local Govt. Expenditures - \$10,648,000 Annual Amortized Cost**  
**Exceeds \$100,000 Annual Amortized Cost/Permissive**

**Other Fiscal Impact - Increase Federal/Other Expenditures:**  
**\$4,597,500 Annual Amortized Cost**

Estimate assumes:

- a total lump sum liability of \$443,180,000 amortized over 20 years
- a funding ratio for teacher cost at 60% state, 40% local education agencies
- sick leave data used by developing a graded scale based on years of service and salary.
- cost to local governments exceeding \$100,000 if several local government entities choose to provide such salary credit.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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